

SETTLEMENT AGREEMENT

I. PARTIES

This Settlement Agreement (Agreement) is entered into among the United States of America, acting through the United States Attorney's Office for the Southern District of Florida and on behalf of the Office of Inspector General (OIG-HHS) of the Department of Health and Human Services (HHS) (collectively the "United States"); and Mount Sinai Medical Center of Florida, Inc. (Mount Sinai) (hereafter referred to as "the Parties"), through their authorized representatives.

II. PREAMBLE

As a preamble to this Agreement, the Parties agree to the following:

- A. Mount Sinai is a Florida non-profit corporation with its principal place of business in Miami Beach, Florida, and is in the business of providing inpatient and outpatient hospital and healthcare services.
- B. The United States, through the United States Attorney for the Southern District of Florida, in conjunction with the Department of Justice contends that Mount Sinai submitted, or caused to be submitted, false claims for payment to the Medicare Program (Medicare), Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395ggg.
- C. The United States contends that it has certain civil claims as specified in Paragraph 2, below, against Mount Sinai for engaging in the following conduct (hereinafter collectively referred to as the "Covered Conduct"): (1) Mount Sinai's failure to reduce the allowable costs claimed in its 1995 and 1997 Medicare cost reports of a management fee that Mount Sinai paid in those years to Comprehensive Cancer

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Centers, Inc. ("CCC") to manage its outpatient cancer centers by the amounts of the three rebates that Mount Sinai received in 1995 and 1997 from CCC. CCC paid Mount Sinai the rebates in the form of two checks in 1995, for approximately \$2,386,268 and \$164,000, and a single check in 1997 for approximately \$1,069,558. Mount Sinai did not offset the rebates against the management fees paid to CCC for 1995 and 1997 in its cost reports for those years; (2) Mount Sinai's failure to reduce the allowable cost claimed in its cost reports for 1995 through 2001 for CCC management fees by the amounts of rebates that Mount Sinai received from CCC in 2001. The 2001 rebates were based on purchases of services from CCC in 1989 through 1999. CCC paid Mount Sinai approximately \$11,046,054 in rebates in the form of credits against monies owed to CCC in 2001; (3) Mount Sinai failed to reduce the allowable costs claimed in its cost reports for 1998 and/or 1999 for CCC management fees by the amount of rebates received in 1999 from CCC. Mount Sinai received approximately \$4,388,009 in rebates from CCC in the form of credits against monies owed to CCC in 1999; and (4) Mount Sinai's failure to accurately report the cost of the CCC management fees for the cost report years 1989 through 2001.

D. The United States contends that it has certain administrative claims against Mount Sinai for engaging in the Covered Conduct, as specified in Paragraph 2, below.

E. This Agreement is neither an admission of liability by Mount Sinai nor a concession by the United States that its claims are not well founded.

F. To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, the Parties reach a full and final settlement pursuant to the Terms and Conditions below.

III. TERMS AND CONDITIONS

1. Mount Sinai agrees to pay to the United States \$3,495,524.69 (the "Settlement Amount"). Mount Sinai agrees to pay the Settlement Amount by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office, Southern District of Florida. Mount Sinai agrees to make this electronic funds transfer no later than the Effective Date of this Agreement, pursuant to the wiring instructions set forth on Exhibit "A" hereto.

2. Subject to the exceptions in Paragraph 4 below, in consideration of the obligations of Mount Sinai set forth in this Agreement, conditioned upon Mount Sinai's full payment of the Settlement Amount, and subject to Paragraph 14 below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement), the United States (on behalf of itself, its officers, agents, agencies, and departments) agrees to release Mount Sinai from any civil or administrative monetary claim the United States has or may have under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud, for the Covered Conduct. No individuals are released by this Agreement.

3. In consideration of the obligations of Mount Sinai set forth in this Agreement, and the Corporate Integrity Agreement (CIA) entered into between OIG-HHS and Mount Sinai, conditioned upon Mount Sinai's full payment of the Settlement Amount, and subject to Paragraph 14 below, (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment

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made under this Agreement), the OIG-HHS agrees to release and refrain from instituting, directing or maintaining any administrative action seeking exclusion from the Medicare, Medicaid, or other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) against Mount Sinai under 42 U.S.C. § 1320a-7a (Civil Monetary Penalties Law), or 42 U.S.C. § 1320a-7(b)(7) (permissive exclusion for fraud, kickbacks, and other prohibited activities) for the Covered Conduct, except as reserved in Paragraph 4, below, and as reserved in this Paragraph. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude Mount Sinai from the Medicare, Medicaid, or other Federal health care programs under 42 U.S.C. § 1320a-7(a)(mandatory exclusion) based upon the Covered Conduct. Nothing in this Paragraph precludes the OIG-HHS from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 4, below.

4. Notwithstanding any term of this Agreement, specifically reserved and excluded from the scope and terms of this Agreement as to any entity or person (including Mount Sinai) are the following:

- a. Any civil, criminal or administrative liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability, including mandatory exclusion from Federal health care programs;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon such obligations as are created by this

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Agreement;

f. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;

g. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct;

h. Any liability for failure to deliver goods or services due; and

i. Any liability of individuals, including officers and employees.

5. Mount Sinai has entered into a Corporate Integrity Agreement (CIA) with HHS, attached as "Exhibit B", which is incorporated into this Agreement by reference. Mount Sinai will immediately upon execution of this Agreement implement its obligations under the CIA.

6. Mount Sinai waives and shall not assert any defenses Mount Sinai may have to any criminal prosecution or administrative action relating to the Covered Conduct, which defenses may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Settlement Agreement bars a remedy sought in such criminal prosecution or administrative action. Nothing in this Paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the characterization of the Settlement Amount for purposes of the Internal Revenue laws, Title 26 of the United States Code.

7. Mount Sinai fully and finally releases the United States, its agencies, employees, servants, and agents from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Mount Sinai has asserted, could have asserted, or may

assert in the future against the United States, its agencies, employees, servants, and agents.
related to the Covered Conduct and the United States' investigation and prosecution thereof.

8. The Settlement Amount will not be decreased as a result of the denial of claims or costs for payment now being withheld from payment by any Medicare carrier or intermediary or any State payer, related to the Covered Conduct; and Mount Sinai agrees not to resubmit to any Medicare carrier or intermediary or any State payer any previously denied claims or costs related to the Covered Conduct, and agrees not to appeal any such denials of claims or costs.

9. The Parties agree that for all purposes: The United States, through its Fiscal Intermediary, will not conduct any audit or review or make any adjustment on cost reports to be audited for the period from Fiscal Year 1995 to Fiscal Year 2001 for issues relating to the costs of CCC contracts or any other Covered Conduct referenced in Paragraph 3 of this Settlement Agreement. Mount Sinai shall not appeal or pursue any pending appeal, through any means including: by audit, adjustment, review, or administrative or judicial challenge, relating to the costs of the CCC contracts, or any other Covered Conduct, covered by this Agreement.

10. Mount Sinai agrees to the following:

a. Unallowable Costs Defined: that all costs (as defined in the Federal Acquisition Regulations (FAR), 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395ggg and 1396-1396v, and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Mount Sinai, its present or former officers, directors, employees, trustees, shareholders, and agents in connection with the following shall be "unallowable costs" on government contracts and under the Medicare Program, Medicaid Program, TRICARE Program, and

Federal Employees Health Benefits Program (FEHBP):

- (1) the matters covered by this Agreement,
- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement,
- (3) Mount Sinai's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorney's fees),
- (4) the negotiation and performance of this Agreement,
- (5) the payment Mount Sinai makes to the United States pursuant to this Agreement, including any costs and attorneys fees, and
- (6) the negotiation of, and obligations undertaken pursuant to the CIA to:

(i) retain an independent review organization to perform annual reviews as described in Section III of the CIA; and

(ii) prepare and submit reports to the OIG-HHS.

However, nothing in this Paragraph 10.a (6) that may apply to the obligations undertaken pursuant to the CIA affects the status of costs that are not allowable based on any other authority applicable to Mount Sinai. (All costs described or set forth in Paragraph 10.a. are hereafter "unallowable costs.")

b. Future Treatment of Unallowable Costs: These unallowable costs shall be separately determined and accounted for in non-reimbursable cost centers by Mount Sinai, and Mount Sinai shall not charge such unallowable costs directly or indirectly to any contracts with the United States or any State Medicaid Program, or seek payment

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for such unallowable costs through any cost report, cost statement, information statement, or payment request submitted by Mount Sinai or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Mount Sinai further agrees that within 90 days of the effective date of this Agreement it shall identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid, VA and FEHBP fiscal agents, any unallowable costs (as defined in this Paragraph) included in payments previously sought from the United States, or any State Medicaid Program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Mount Sinai or any of its subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the unallowable costs. Mount Sinai agrees that the United States, at a minimum, will be entitled to recoup from Mount Sinai any overpayment plus applicable interest and penalties as a result of the inclusion of such unallowable costs on previously-submitted cost reports, information reports, cost statements, or requests for payment.

Any payments due after the adjustments have been made shall be paid to the United States pursuant to the direction of the Department of Justice, and/or the affected agencies. The United States reserves its rights to disagree with any calculations submitted by Mount Sinai or any of its subsidiaries or affiliates on the effect of inclusion of unallowable costs (as defined in this Paragraph) on Mount Sinai or any of its subsidiaries or affiliates' cost reports, cost statements, or information reports. Nothing

in this Agreement shall constitute a waiver of the rights of the United States to examine or reexamine the unallowable costs described in this Paragraph.

11. This Agreement is intended to be for the benefit of the Parties, only. The Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraph 12, below.

12. Mount Sinai waives and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as Covered Conduct.

13. Mount Sinai warrants that it has reviewed its financial situation and that it currently is solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I), and shall remain solvent following its payment to the United States of the Settlement Amount. Further, the Parties warrant that, in evaluating whether to execute this Agreement, they (a) have intended that the mutual promises, covenants, and obligations set forth constitute a contemporaneous exchange for new value given to Mount Sinai, within the meaning of 11 U.S.C. § 547(c)(1); and (b) conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, the Parties warrant that the mutual promises, covenants, and obligations set forth herein are intended to and do, in fact, represent a reasonably equivalent exchange of value that is not intended to hinder, delay, or defraud any entity to which Mount Sinai was or became indebted, on or after the date of this transfer, all within the meaning of 11 U.S.C. § 548(a)(1).

14. If, within 91 days of the Effective Date of this Agreement or any payment made

under this Agreement. Mount Sinai commences, or a third party commences, any case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors (a) seeking to have any order for relief of Mount Sinai's debts, or seeking to adjudicate Mount Sinai as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for Mount Sinai or for all or any substantial part of Mount Sinai assets, Mount Sinai agrees as follows:

a. Mount Sinai's obligations under this Agreement may not be avoided pursuant to 11 U.S.C. §§ 547 or 548, and Mount Sinai shall not argue or otherwise take the position in any such case, proceeding, or action that: (i) Mount Sinai's obligations under this Agreement may be avoided under 11 U.S.C. §§ 547 or 548; (ii) Mount Sinai was insolvent at the time this Agreement was entered into, or became insolvent as a result of the payment made to the United States hereunder; or (iii) the mutual promises, covenants, and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to Mount Sinai.

b. If Mount Sinai's obligations under this Agreement are avoided for any reason, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, the United States, at its sole option, may rescind the releases in this Agreement, and bring any civil and/or administrative claim, action, or proceeding against Mount Sinai for claims that would otherwise be covered by the releases provided in Paragraphs 2-3, above. Mount Sinai agrees that (i) such claims, actions, or proceedings brought by the United States (including any proceedings to exclude Mount Sinai from participation in Medicare, Medicaid, or other Federal health care programs) are not subject to an "automatic stay" pursuant

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to 11 U.S.C. § 362(a) as a result of the action, case, or proceeding described in the first clause of this Paragraph, and Mount Sinai shall not argue or otherwise contend that the United States' claims, actions, or proceedings are subject to an automatic stay; (ii) Mount Sinai shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claims, actions, or proceedings that are brought by the United States within 180 calendar days of written notification to Mount Sinai that the releases herein have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on the Effective Date of this Agreement; and (iii) the United States has a valid claim against Mount Sinai in the amount of \$7,091,472.00, and the United States may pursue its claim in the case, action, or proceeding referenced in the first clause of this Paragraph, as well as in any other case, action, or proceeding.

c. Mount Sinai acknowledges that its agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

15. Each Party to this Agreement shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

16. Mount Sinai represents that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

17. This Agreement is governed by the laws of the United States. The Parties agree that the exclusive jurisdiction and venue for any dispute arising between and among the Parties under this Agreement will be the United States District Court for the Southern District of Florida, except that disputes arising under the CIA shall be resolved exclusively under the dispute resolution provisions in the CIA.

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18. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties, except that only Mount Sinai and OIG-HHS must agree in writing to modification of the Corporate Integrity Agreement.

19. The individuals signing this Agreement on behalf of Mount Sinai represent and warrant that they are authorized by Mount Sinai to execute this Agreement. The United States signatories represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement.

20. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

21. This Agreement is binding on Mount Sinai's successors, transferees, heirs, and assigns.

22. All parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

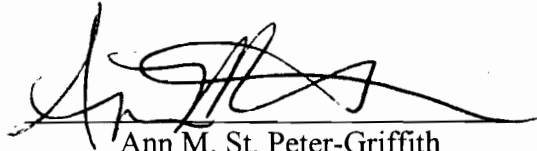
23. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

R. Alexander Acosta
United States Attorney

DATED: 8/9/06

BY:



Ann M. St. Peter-Griffith
Assistant United States Attorney
Florida Bar No. 0033154
99 N.E. 4th Street, 3rd Floor
Miami, Florida 33132
Tel. No.: (305) 961-9419
Fax No.: (305) 530-7139

DATED:

8/2/06

BY:



GREGORY E. DEMSKE
Assistant Inspector General for Legal
Affairs
Office of Counsel to the Inspector

General


United States Department of Health and
Human Services

Mount Sinai - DEFENDANT

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DATED: 7/26/06

BY:


STEVEN D. SONENREICH
Mount Sinai Medical Center of Florida, Inc.
4300 Alton Road
Miami Beach, Florida 33410


DATED: 7/27/06

BY:


CARRIE VALIANT
Epstein Becker & Green, P.C.
1227 25th Street, N.W.
Washington, D.C. 20037
Counsel for Mount Sinai


DATED: 7/27/06

BY:


JOHN RAH
Epstein Becker & Green, P.C.
1227 25th Street, N.W.
Washington, D.C. 20037
Counsel for Mount Sinai

DATED: 7/27/06

BY:


JAMES BARKER
Gardner Carton & Douglas
1301 K Street, N.W.
East Tower
Washington, D.C.
Counsel for Mount Sinai

Exhibit

A

FEDWIRE Electronic Funds Transfer
to the
United States Department of Justice

TO: Mount Sinai Medical Center of Florida, Inc.

To transfer funds electronically to the Federal Reserve/United States Treasury Department in New York City for credit to the United States Department of Justice, the following information must be provided to the bank from which the funds are to be transferred. This information will enable the sending bank to complete those fields associated with the beneficiary bank of a "*FedWire Structured Third Party Format*" electronic funds transfer.

ITEM	DESCRIPTION	CODING INFORMATION FOR FEDWIRE FORMAT
2	Receiving Bank ABA Code	021030004
3	Message Type Code	1000
7	Wire Amount	\$3,495,524.69
9 10 11	Receiving Beneficiary Bank, Name & Account No.	TREAS NYC/CTR/BNF=DEPT OF JUSTICE/AC-15030001
12	Required Beneficiary Information: *Collection Office Identifier *Debtor Name *Collection Office Claim No.	USAO/FLS Mount Sinai Medical Center of Florida, Inc. NCIF #C106-00886

ATTENTION FINANCIAL LITIGATION PERSONNEL:

Each of the above blank spaces "**MUST**" be completed before providing this form to the debtor/debtor's attorney. Once completed, the debtor/debtor's attorney must provide this form to the bank from which the funds are to be transferred to ensure that the electronic transfer of funds is accomplished and properly credited to the United States Department of Justice/Debt Accounting Operations Group.

AUTHORITY:

The above information requirements are in accordance with the United States Treasury Department "Treasury Requirements Manual/Part 6 - Chapter 8000"; Appendix E of the "Federal Reserve Bank Funds Transfer Systems Manual"; and, 31 CFR Part 206 (Federal Register - Vol. 59, No. 20).

Questions regarding this FedWire EFT should be directed to the responsible Collection Office:

POINT OF CONTACT: MARYET MOXIE-STINSON

TELEPHONE NUMBER: 305-961-9360

Revised 12/98

Exhibit B

CORPORATE INTEGRITY AGREEMENT
BETWEEN THE
OFFICE OF INSPECTOR GENERAL
OF THE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
AND
MOUNT SINAI MEDICAL CENTER OF FLORIDA, INC.

I. PREAMBLE

Mount Sinai Medical Center of Florida, Inc. (Mount Sinai) hereby enters into this Corporate Integrity Agreement (CIA) with the Office of Inspector General (OIG) of the United States Department of Health and Human Services (HHS) to promote compliance with the statutes, regulations, and written directives of Medicare, Medicaid, and all other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) (Federal health care program requirements). Contemporaneously with this CIA, Mount Sinai is entering into a Settlement Agreement with the United States, and this CIA is incorporated by reference into the Settlement Agreement.

II. TERM AND SCOPE OF THE CIA

A. The period of the compliance obligations assumed by Mount Sinai under this CIA shall be 5 years from the Effective Date of this CIA, unless otherwise specified. The Effective Date shall be the date on which the final signatory of this CIA executes this CIA (Effective Date). Each one-year period, beginning with the one-year period following the Effective Date, shall be referred to as a "Reporting Period."

B. Sections VII, VIII, IX, X, and XI shall expire no later than 120 days after OIG's receipt of: (1) Mount Sinai's final annual report; or (2) any additional materials submitted by Mount Sinai pursuant to OIG's request, whichever is later.

C. The scope of this CIA shall be governed by the following definitions:

1. "Covered Persons" includes:

a. all owners, officers, trustees, and employees of Mount Sinai;

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- b. all contractors, subcontractors, agents, and other persons who provide patient care items or services or who perform billing or coding functions on behalf of Mount Sinai; and
- c. all physicians and allied health professionals with whom Mount Sinai employs or contracts for professional services.

Notwithstanding the above, this term does not include part-time or per diem employees, contractors, subcontractors, agents, and other persons who are not reasonably expected to work more than 160 hours per year, except that any such individuals shall become "Covered Persons" at the point when they work more than 160 hours during the calendar year.

2. "Relevant Covered Persons" includes all Covered Persons who are involved directly or in a supervisory role in the assignment of diagnosis or procedure codes or the preparation or submission of claims for reimbursement, including but not limited to cost reports, from any Federal health care program.

III. CORPORATE INTEGRITY OBLIGATIONS

Mount Sinai shall establish and maintain a Compliance Program that includes the following elements:

A. Compliance Officer and Committee.

1. *Compliance Officer.* Within 90 days after the Effective Date, Mount Sinai shall appoint an individual to serve as its Compliance Officer and shall maintain a Compliance Officer for the term of the CIA. The Compliance Officer shall be responsible for developing and implementing policies, procedures, and practices designed to ensure compliance with the requirements set forth in this CIA and with Federal health care program requirements. The Compliance Officer shall be a member of senior management of Mount Sinai, shall make periodic (at least quarterly) reports regarding compliance matters directly to the Board of Trustees of Mount Sinai, and shall be authorized to report on such matters to the Board of Trustees at any time. The Compliance Officer shall not be or be subordinate to the General Counsel or Chief Financial Officer. The Compliance Officer shall be responsible for monitoring the day-to-day compliance activities engaged in by Mount Sinai as well as for any reporting obligations created under this CIA.

Mount Sinai shall report to OIG, in writing, any changes in the identity or position description of the Compliance Officer, or any actions or changes that would affect the Compliance Officer's ability to perform the duties necessary to meet the obligations in this CIA, within 15 days after such a change.

2. *Compliance Committee.* Within 90 days after the Effective Date, Mount Sinai shall appoint a Compliance Committee. The Compliance Committee shall, at a minimum, include the Compliance Officer and other members of senior management necessary to meet the requirements of this CIA (e.g., senior executives of relevant departments, such as billing, clinical, human resources, audit, and operations). The Compliance Officer shall chair the Compliance Committee and the Committee shall support the Compliance Officer in fulfilling his/her responsibilities (e.g., shall assist in the analysis of the organization's risk areas and shall oversee monitoring of internal and external audits and investigations).

Mount Sinai shall report to OIG, in writing, any changes in the composition of the Compliance Committee, or any actions or changes that would affect the Compliance Committee's ability to perform the duties necessary to meet the obligations in this CIA, within 15 days after such a change.

B. Written Standards.

1. *Code of Conduct.* Within 90 days after the Effective Date, Mount Sinai shall develop, implement, and distribute a written Code of Conduct to all Covered Persons who have not received a Code of Conduct within the past six months. Mount Sinai shall make the promotion of, and adherence to, the Code of Conduct an element in evaluating the performance of all employees. The Code of Conduct shall, at a minimum, set forth:

- a. Mount Sinai's commitment to full compliance with all Federal health care program requirements, including its commitment to prepare and submit accurate claims consistent with such requirements;
- b. Mount Sinai's requirement that all of its Covered Persons shall be expected to comply with all Federal health care program requirements and with Mount Sinai's own Policies and Procedures as implemented pursuant to this Section III.B (including the requirements of this CIA);

- c. the requirement that all of Mount Sinai's Covered Persons shall be expected to report to the Compliance Officer or other appropriate individual designated by Mount Sinai suspected violations of any Federal health care program requirements or of Mount Sinai's own Policies and Procedures;
- d. the possible consequences to both Mount Sinai and Covered Persons of failure to comply with Federal health care program requirements and with Mount Sinai's own Policies and Procedures and the failure to report such noncompliance; and
- e. the right of all individuals to use the Disclosure Program described in Section III.E, and Mount Sinai's commitment to nonretaliation and to maintain, as appropriate, confidentiality and anonymity with respect to such disclosures.

Within 90 days after the Effective Date, each Covered Person shall certify, in writing, that he or she has received, read, understood, and shall abide by Mount Sinai's Code of Conduct. New Covered Persons shall receive the Code of Conduct and shall complete the required certification within 30 days after becoming a Covered Person or within 90 days after the Effective Date, whichever is later.

Mount Sinai shall periodically review the Code of Conduct to determine if revisions are appropriate and shall make any necessary revisions based on such review. Any revised Code of Conduct shall be distributed within 30 days after any revisions are finalized. Each Covered Person shall certify, in writing, that he or she has received, read, understood, and shall abide by the revised Code of Conduct within 30 days after the distribution of the revised Code of Conduct.

2. *Policies and Procedures.* Within 90 days after the Effective Date, Mount Sinai shall implement written Policies and Procedures regarding the operation of Mount Sinai's compliance program and its compliance with Federal health care program requirements. At a minimum, the Policies and Procedures shall address:

- a. the subjects relating to the Code of Conduct identified in Section III.B.1;

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- b. proper methods for preparing and submitting cost reports;
and
- c. subjects covered in the OIG Hospital Compliance Program Guidance.

Within 90 days after the Effective Date, the relevant portions of the Policies and Procedures shall be distributed to all individuals whose job functions relate to those Policies and Procedures. Appropriate and knowledgeable staff shall be available to explain the Policies and Procedures.

At least annually (and more frequently, if appropriate), Mount Sinai shall assess and update as necessary the Policies and Procedures. Within 30 days after the effective date of any revisions, the relevant portions of any such revised Policies and Procedures shall be distributed or made available to all individuals whose job functions relate to those Policies and Procedures.

C. Training and Education.

1. *General Training.* Within 120 days after the Effective Date, Mount Sinai shall provide at least two hours of General Training to each Covered Person. This training, at a minimum, shall explain Mount Sinai's:

- a. CIA requirements; and
- b. Mount Sinai's Compliance Program (including the Code of Conduct and the Policies and Procedures as they pertain to general compliance issues).

New Covered Persons shall receive the General Training described above within 30 days after becoming a Covered Person or within 90 days after the Effective Date, whichever is later. After receiving the initial General Training described above, each Covered Person shall receive at least one hour of General Training annually.

2. *Specific Training.* Within 120 days after the Effective Date, each Relevant Covered Person shall receive at least 4 hours of Specific Training in addition to the General Training required above. This Specific Training shall include a discussion of:

- a. the Federal health care program requirements regarding the accurate coding and submission of claims;

- b. policies, procedures, and other requirements applicable to the documentation of medical records;
- c. the personal obligation of each individual involved in the claims submission process to ensure that such claims are accurate;
- d. applicable reimbursement statutes, regulations, and program requirements and directives;
- e. the legal sanctions for violations of the Federal health care program requirements; and
- f. examples of proper and improper claims submission practices.

Relevant Covered Persons shall receive this training within 30 days after the beginning of their employment or becoming Relevant Covered Persons, or within 120 days after the Effective Date, whichever is later. A Mount Sinai employee who has completed the Specific Training shall review a new Relevant Covered Person's work, to the extent that the work relates to the delivery of patient care items or services and/or the preparation or submission of claims for reimbursement from any Federal health care program, until such time as the new Relevant Covered Person completes his or her Specific Training.

After receiving the initial Specific Training described in this Section, each Relevant Covered Person shall receive at least 2 hours of Specific Training annually.

3. *Certification.* Each individual who is required to attend training shall certify, in writing, or in electronic form, if applicable, that he or she has received the required training. The certification shall specify the type of training received and the date received. The Compliance Officer (or designee) shall retain the certifications, along with all course materials. These shall be made available to OIG, upon request.

4. *Qualifications of Trainer.* Persons providing the training shall be knowledgeable about the subject area.

5. *Update of Training.* Mount Sinai shall annually review the training, and, where appropriate, update the training to reflect changes in Federal

health care program requirements, any issues discovered during internal audits or the IRO Claims Review, Unallowable Cost Review, and any other relevant information.

6. *Computer-based Training.* Mount Sinai may provide the training required under this CIA through appropriate computer-based training approaches. If Mount Sinai chooses to provide computer-based training, it shall make available appropriately qualified and knowledgeable staff or trainers to answer questions or provide additional information to the individuals receiving such training.

D. Review Procedures.

1. *General Description.*

a. *Engagement of Independent Review Organization.* Within 90 days after the Effective Date, Mount Sinai shall engage an entity (or entities), such as an accounting, auditing, or consulting firm (hereinafter "Independent Review Organization" or "IRO"), to perform reviews to assist Mount Sinai in assessing and evaluating its billing and coding practices and certain other obligations pursuant to this Agreement and the Settlement Agreement. The applicable requirements relating to the IRO are outlined in Appendix A to this Agreement, which is incorporated by reference.

Each IRO engaged by Mount Sinai shall have expertise in the billing, coding, reporting, and other requirements of hospitals and in the general requirements of the Federal health care program(s) from which Mount Sinai seeks reimbursement. Each IRO shall assess, along with Mount Sinai, whether it can perform the IRO review in a professionally independent and/or objective fashion, as appropriate to the nature of the engagement, taking into account any other business relationships or other engagements that may exist.

The IRO review shall evaluate and analyze Mount Sinai's Medicare inpatient DRG coding, billing, and claims submission to the Federal health care programs and the reimbursement received (Claims Review), and shall analyze whether Mount

Sinai sought payment for certain unallowable costs (Unallowable Cost Review).

b. *Frequency of Claims Review.* The Claims Review shall be performed annually and shall cover each of the Reporting Periods. The IRO shall perform all components of each annual Claims Review. After the second or any subsequent reporting period, Mount Sinai may submit to OIG a request to conduct internal reviews of the Claims Reviews required by Section III.D.2 and III.D.3 (the "Claims Review"). At the sole discretion of OIG, Mount Sinai may perform the Claims Reviews in compliance with all the requirements outlined in Sections III.D.2 and III.D.3 of this Agreement.

c. *Frequency of Unallowable Cost Review.* The IRO shall perform the Unallowable Cost Review for the first Reporting Period.

d. *Retention of Records.* The IRO and Mount Sinai shall retain and make available to OIG, upon request, all work papers, supporting documentation, correspondence, and draft reports (those exchanged between the IRO and Mount Sinai) related to the reviews.

2. Claims Review. The Claims Review shall include a Discovery Sample and, if necessary, a Full Sample. The applicable definitions, procedures, and reporting requirements are outlined in Appendix B to this Agreement, which is incorporated by reference.

a. *Discovery Sample.* The IRO shall randomly select and review a sample of 50 Medicare Paid Claims submitted by or on behalf of Mount Sinai (Discovery Sample).

The Paid Claims shall be reviewed based on the supporting documentation available at Mount Sinai's office or under Mount Sinai's control and applicable billing and coding regulations and guidance to determine whether the claim was correctly coded, submitted, and reimbursed.

i. If the Error Rate (as defined in Appendix B) for the Discovery Sample is less than 5%, no additional

sampling is required, nor is the Systems Review required. (Note: The guidelines listed above do not imply that this is an acceptable error rate. Accordingly, Mount Sinai should, as appropriate, further analyze any errors identified in the Discovery Sample. Mount Sinai recognizes that OIG or other HHS component, in its discretion and as authorized by statute, regulation, or other appropriate authority may also analyze or review Paid Claims included, or errors identified, in the Discovery Sample or any other segment of the universe.)

ii. If the Discovery Sample indicates that the Error Rate is 5% or greater, the IRO shall perform a Full Sample and a Systems Review, as described below.

b. *Full Sample.* If necessary, as determined by procedures set forth in Section III.D.2.a, the IRO shall perform an additional sample of Medicare Paid Claims paid on the basis of DRGs submitted by or on behalf of Mount Sinai using commonly accepted sampling methods and in accordance with Appendix B. The Full Sample shall be designed to: (i) estimate the actual Overpayment in the population with a 90% confidence level and with a maximum relative precision of 25% of the point estimate; and (ii) conform with the Centers for Medicare and Medicaid Services' statistical sampling for overpayment estimation guidelines. The Paid Claims shall be reviewed based on supporting documentation available at Mount Sinai's facilities or under Mount Sinai's control and applicable billing and coding regulations and guidance to determine whether the claim was correctly coded, submitted, and reimbursed. For purposes of calculating the size of the Full Sample, the Discovery Sample may serve as the probe sample, if statistically appropriate. Additionally, Mount Sinai may use the Items sampled as part of the Discovery Sample, and the corresponding findings for those 50 Items, as part of its Full Sample, if: (i) statistically appropriate and (ii) Mount Sinai selects the Full Sample Items using the seed number generated by the Discovery Sample. OIG, in its sole discretion, may refer the findings of the Full Sample (and any related workpapers) received from Mount Sinai to the

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appropriate Federal health care program payor, including the Medicare contractor (e.g., carrier, fiscal intermediary, or DMERC), for appropriate follow-up by that payor.

c. *Systems Review.* If Mount Sinai's Discovery Sample identifies an Error Rate of 5% or greater, Mount Sinai's IRO shall also conduct a Systems Review. Specifically, for each claim in the Discovery Sample and Full Sample that resulted in an Overpayment, the IRO shall perform a "walk through" of the system(s) and process(es), that generated the claim to identify any problems or weaknesses that may have resulted in the identified Overpayments. The IRO shall provide its observations and recommendations on suggested improvements to the system(s) and the process(es) that generated the claim.

d. *Repayment of Identified Overpayments.* In accordance with Section III.H.1 of this Agreement, Mount Sinai shall repay within 30 days any Overpayment(s) identified in the Discovery Sample or the Full Sample (if applicable), regardless of the Error Rate, to the appropriate payor and in accordance with payor refund policies. Mount Sinai shall make available to OIG any and all documentation and the associated documentation that reflects the refund of the Overpayment(s) to the payor.

3. Claims Review Report. The IRO shall prepare a report based upon the Claims Review performed (Claims Review Report). Information to be included in the Claims Review Report is described in Appendix B.

4. Unallowable Cost Review. The IRO shall conduct a review of Mount Sinai's compliance with the unallowable cost provisions of the Settlement Agreement. The IRO shall determine whether Mount Sinai has complied with its obligations not to charge to, or otherwise seek payment from, Federal or State payors for unallowable costs (as defined in the Settlement Agreement) and its obligation to identify to applicable Federal or State payors any unallowable costs included in payments previously sought from the United States, or any State Medicaid program. This unallowable cost analysis shall include, but not be limited to, payments sought in any cost reports, cost

statements, information reports, or payment requests already submitted by Mount Sinai or any affiliates. To the extent that such cost reports, cost statements, information reports, or payment requests, even if already settled, have been adjusted to account for the effect of the inclusion of the unallowable costs, the IRO shall determine if such adjustments were proper. In making this determination, the IRO may need to review cost reports and/or financial statements from the year in which the Settlement Agreement was executed, as well as from previous years.

5. Unallowable Cost Review Report. The IRO shall prepare a report based upon the Unallowable Cost Review performed. The Unallowable Cost Review Report shall include the IRO's findings and supporting rationale regarding the Unallowable Costs Review and whether Mount Sinai has complied with its obligation not to charge to, or otherwise seek payment from, Federal or State payors for unallowable costs (as defined in the Settlement Agreement) and its obligation to identify to applicable Federal or State payors any unallowable costs included in payments previously sought from such payor.

6. Validation Review. In the event OIG has reason to believe that: (a) Mount Sinai's Claims Review or Unallowable Cost Review fails to conform to the requirements of this Agreement; or (b) the IRO's findings or Claims Review results or Unallowable Cost Review results are inaccurate, OIG may, at its sole discretion, conduct its own review to determine whether the Claims Review or Unallowable Cost Review complied with the requirements of the Agreement and/or the findings or Claims Review results or Unallowable Cost Review results are inaccurate (Validation Review). Mount Sinai shall pay for the reasonable cost of any such review performed by OIG or any of its designated agents. Any Validation Review of Reports submitted as part of Mount Sinai's final Annual Report must be initiated no later than one year after Mount Sinai's final submission (as described in Section II) is received by OIG.

Prior to initiating a Validation Review, OIG shall notify Mount Sinai of its intent to do so and provide a written explanation of why OIG believes such a review is necessary. To resolve any concerns raised by OIG, Mount Sinai may request a meeting with OIG to: (a) discuss the results of any Claims Review submissions or findings; (b)

present any additional information to clarify the results of the Claims Review or Unallowable Cost Review or to correct the inaccuracy of the Claims Review or Unallowable Cost Review; and/or (c) propose alternatives to the proposed Validation Review. Mount Sinai agrees to provide any additional information as may be requested by OIG under this Section in an expedited manner. OIG will attempt in good faith to resolve any Claims Review or Unallowable Cost Review issues with Mount Sinai prior to conducting a Validation Review. However, the final determination as to whether or not to proceed with a Validation Review shall be made at the sole discretion of OIG.

7. Independence/Objectivity Certification. The IRO shall include in its report(s) to Mount Sinai a certification or sworn affidavit that it has evaluated its professional independence and/or objectivity, as appropriate to the nature of the engagement, with regard to the Claims Review or Unallowable Cost Review and that it has concluded that it is, in fact, independent and/or objective.

E. Disclosure Program.

To the extent not yet established, within 90 days after the Effective Date, Mount Sinai shall establish or maintain a Disclosure Program that includes a mechanism (e.g., a toll-free compliance telephone line) to enable individuals to disclose, to the Compliance Officer or some other person who is not in the disclosing individual's chain of command, any identified issues or questions associated with Mount Sinai's policies, conduct, practices, or procedures with respect to a Federal health care program believed by the individual to be a potential violation of criminal, civil, or administrative law. Mount Sinai shall appropriately publicize the existence of the disclosure mechanism (e.g., via periodic e-mails to employees or by posting the information in prominent common areas).

The Disclosure Program shall emphasize a nonretribution, nonretaliation policy, and shall include a reporting mechanism for anonymous communications for which appropriate confidentiality shall be maintained. Upon receipt of a disclosure, the Compliance Officer (or designee) shall gather all relevant information from the disclosing individual. The Compliance Officer (or designee) shall make a preliminary, good faith inquiry into the allegations set forth in every disclosure to ensure that he or she has obtained all of the information necessary to determine whether a further review should be conducted. For any disclosure that is

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sufficiently specific so that it reasonably: (1) permits a determination of the appropriateness of the alleged improper practice; and (2) provides an opportunity for taking corrective action, Mount Sinai shall conduct an internal review of the allegations set forth in the disclosure and ensure that proper follow-up is conducted.

The Compliance Officer (or designee) shall maintain a disclosure log, which shall include a record and summary of each disclosure received (whether anonymous or not), the status of the respective internal reviews, and any corrective action taken in response to the internal reviews. The disclosure log shall be made available to OIG, upon request.

F. Ineligible Persons.

1. *Definitions.* For purposes of this CIA:

a. an "Ineligible Person" shall include an individual or entity who:

i. is currently excluded, debarred, suspended, or otherwise ineligible to participate in the Federal health care programs or in Federal procurement or nonprocurement programs; or

ii. has been convicted of a criminal offense that falls within the ambit of 42 U.S.C. § 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible.

b. "Exclusion Lists" include:

i. the HHS/OIG List of Excluded Individuals/Entities (available through the Internet at <http://oig.hhs.gov>); and

ii. the General Services Administration's List of Parties Excluded from Federal Programs (available through the Internet at <http://epls.arnet.gov>).

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c. "Screened Persons" include prospective and current owners, officers, trustees, employees, contractors, and agents of Mount Sinai.

2. *Screening Requirements.* Mount Sinai shall ensure that all Screened Persons are not Ineligible Persons, by implementing the following screening requirements.

a. Mount Sinai shall screen all Screened Persons against the Exclusion Lists prior to engaging their services and, as part of the hiring or contracting process, shall require such persons to disclose whether they are an Ineligible Person.

b. Mount Sinai shall screen all Screened Persons against the Exclusion Lists within 90 days after the Effective Date and on an annual basis thereafter.

c. Mount Sinai shall implement a policy requiring all Screened Persons to disclose immediately any debarment, exclusion, suspension, or other event that makes that person an Ineligible Person.

Nothing in this Section affects the responsibility of (or liability for) Mount Sinai to refrain from billing Federal health care programs for items or services furnished, ordered, or prescribed by an Ineligible Person.

3. *Removal Requirement.* If Mount Sinai has actual notice that a Screened Person has become an Ineligible Person, Mount Sinai shall remove such person from responsibility for, or involvement with, Mount Sinai's business operations related to the Federal health care programs and shall remove such person from any position for which the person's compensation or the items or services furnished, ordered, or prescribed by the person are paid in whole or part, directly or indirectly, by Federal health care programs or otherwise with Federal funds at least until such time as the person is reinstated into participation in the Federal health care programs.

4. *Pending Charges and Proposed Exclusions.* If Mount Sinai has actual notice that a Screened Person is charged with a criminal offense that falls within the ambit of 42 U.S.C. §§ 1320a-7(a), 1320a-7(b)(1)-(3), or is proposed for exclusion during his or her employment or contract term or, in the case of a physician, during the term of the physician's medical staff privileges, Mount Sinai shall take all appropriate actions to ensure that the responsibilities of that person

have not and shall not adversely affect the quality of care rendered to any beneficiary, patient, or resident, or the accuracy of any claims submitted to any Federal health care program.

G. Notification of Government Investigation or Legal Proceedings.

Within 30 days after discovery, Mount Sinai shall notify OIG, in writing, of any ongoing investigation or legal proceeding known to Mount Sinai conducted or brought by a governmental entity or its agents involving an allegation that Mount Sinai has committed a crime or has engaged in fraudulent activities. This notification shall include a description of the allegation, the identity of the investigating or prosecuting agency, and the status of such investigation or legal proceeding. Mount Sinai shall also provide written notice to OIG within 30 days after the resolution of the matter, and shall provide OIG with a description of the findings and/or results of the investigation or proceedings, if any.

H. Reporting.

1. *Overpayments.*

a. Definition of Overpayments. For purposes of this CIA, an "Overpayment" shall mean the amount of money Mount Sinai has received in excess of the amount due and payable under any Federal health care program requirements.

b. Reporting of Overpayments. If, at any time, Mount Sinai identifies or learns of any Overpayment, Mount Sinai shall notify the payor (e.g., Medicare fiscal intermediary or carrier) within 30 days after identification of the Overpayment and take remedial steps within 60 days after identification (or such additional time as may be agreed to by the payor) to correct the problem, including preventing the underlying problem and the Overpayment from recurring. Also, within 30 days after identification of the Overpayment, Mount Sinai shall repay the Overpayment to the appropriate payor to the extent such Overpayment has been quantified. If not yet quantified, within 30 days after identification, Mount Sinai shall notify the payor of its efforts to quantify the Overpayment amount along with a schedule of when such work is expected to be completed. Notification and repayment to the payor shall be done in accordance with the payor's policies, and, for Medicare contractors, shall include the information contained on the

Overpayment Refund Form, provided as Appendix C to this CIA. Notwithstanding the above, notification and repayment of any Overpayment amount that routinely is reconciled or adjusted pursuant to policies and procedures established by the payor should be handled in accordance with such policies and procedures.

2. *Reportable Events.*

a. Definition of Reportable Event. For purposes of this CIA, a "Reportable Event" means anything that involves:

- i. a substantial Overpayment;
- ii. a matter that a reasonable person would consider a probable violation of criminal, civil, or administrative laws applicable to any Federal health care program for which penalties or exclusion may be authorized;

A Reportable Event may be the result of an isolated event or a series of occurrences.

b. Reporting of Reportable Events. If Mount Sinai determines (after a reasonable opportunity to conduct an appropriate review or investigation of the allegations) through any means that there is a Reportable Event, Mount Sinai shall notify OIG, in writing, within 30 days after making the determination that the Reportable Event exists. The report to OIG shall include the following information:

- i. If the Reportable Event results in an Overpayment, the report to OIG shall be made at the same time as the notification to the payor required in Section III.H.1, and shall include all of the information on the Overpayment Refund Form, as well as:

(A) the payor's name, address, and contact person to whom the Overpayment was sent; and

(B) the date of the check and identification number (or electronic transaction number) by which the Overpayment was repaid/refunded;

- ii. a complete description of the Reportable Event, including the relevant facts, persons involved, and legal and Federal health care program authorities implicated;
- iii. a description of Mount Sinai's actions taken to correct the Reportable Event; and
- iv. any further steps Mount Sinai plans to take to address the Reportable Event and prevent it from recurring.

IV. NEW BUSINESS UNITS OR LOCATIONS

In the event that, after the Effective Date, Mount Sinai changes locations or sells, closes, purchases, or establishes a new business unit or location related to the furnishing of items or services that may be reimbursed by Federal health care programs, Mount Sinai shall notify OIG of this fact as soon as possible, but no later than within 30 days after the date of change of location, sale, closure, purchase, or establishment. This notification shall include the address of the new business unit or location, phone number, fax number, Medicare Mount Sinai number, Mount Sinai identification number and/or supplier number, and the corresponding contractor's name and address that has issued each Medicare number. Each new business unit or location shall be subject to all the requirements of this CIA.

V. IMPLEMENTATION AND ANNUAL REPORTS

A. Implementation Report. Within 120 days after the Effective Date, Mount Sinai shall submit a written report to OIG summarizing the status of its implementation of the requirements of this CIA (Implementation Report). The Implementation Report shall, at a minimum, include:

- 1. the name, address, phone number, and position description of the Compliance Officer required by Section III.A, and a summary of other noncompliance job responsibilities the Compliance Officer may have;
- 2. the names and positions of the members of the Compliance Committee required by Section III.A;

3. a copy of Mount Sinai's Code of Conduct required by Section III.B.1;
4. a copy of all Policies and Procedures required by Section III.B.2;
5. the number of individuals required to complete the Code of Conduct certification required by Section III.B.1, the percentage of individuals who have completed such certification, and an explanation of any exceptions (the documentation supporting this information shall be available to OIG, upon request);
6. the following information regarding each type of training required by Section III.C:
 - a. a description of such training, including a summary of the topics covered, the length of sessions and a schedule of training sessions;
 - b. number of individuals required to be trained, percentage of individuals actually trained, and an explanation of any exceptions.

A copy of all training materials and the documentation supporting this information shall be available to OIG, upon request.

7. a description of the Disclosure Program required by Section III.E;
8. the following information regarding the IRO(s): (a) identity, address, and phone number; (b) a copy of the engagement letter; (c) a summary and description of any and all current and prior engagements and agreements between Mount Sinai and the IRO; and (d) the proposed start and completion dates of the Claims Review and Unallowable Cost Review;
9. a certification from the IRO regarding its professional independence and/or objectivity with respect to Mount Sinai;
10. a description of the process by which Mount Sinai fulfills the requirements of Section III.F regarding Ineligible Persons;

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11. the name, title, and responsibilities of any person who is determined to be an Ineligible Person under Section III.F; the actions taken in response to the screening and removal obligations set forth in Section III.F; and the actions taken to identify, quantify, and repay any overpayments to Federal health care programs relating to items or services furnished, ordered or prescribed by an Ineligible Person;

12. a list of all of Mount Sinai's locations (including locations and mailing addresses); the corresponding name under which each location is doing business; the corresponding phone numbers and fax numbers; each location's Medicare Mount Sinai number(s), Mount Sinai identification number(s), and/or supplier number(s); and the name and address of each Medicare contractor to which Mount Sinai currently submits claims;

13. a description of Mount Sinai's corporate structure, including identification of any parent and sister companies, subsidiaries, and their respective lines of business; and

14. the certifications required by Section V.C.

B. Annual Reports. Mount Sinai shall submit to OIG annually a report with respect to the status of, and findings regarding, Mount Sinai's compliance activities for each of the Reporting Periods (Annual Report).

Each Annual Report shall include, at a minimum:

1. any change in the identity, position description, or other noncompliance job responsibilities of the Compliance Officer and any change in the membership of the Compliance Committee described in Section III.A;

2. a summary of any significant changes or amendments to the Policies and Procedures required by Section III.B and the reasons for such changes (e.g., change in contractor policy) and copies of any compliance-related Policies and Procedures;

3. the number of individuals required to complete the Code of Conduct certification required by Section III.B.1, the percentage of individuals who have completed such certification, and an

explanation of any exceptions (the documentation supporting this information shall be available to OIG, upon request);

4. the following information regarding each type of training required by Section III.C:

a. a description of such training, including a summary of the topics covered, the length of sessions and a schedule of training sessions;

b. number of individuals required to be trained, percentage of individuals actually trained, and an explanation of any exceptions.

A copy of all training materials and the documentation supporting this information shall be available to OIG, upon request.

5. a complete copy of all reports prepared pursuant to Section III.D, along with a copy of the IRO's engagement letter (if applicable);

6. Mount Sinai's response and corrective action plan(s) related to any issues raised by the reports prepared pursuant to Section III.D;

7. summary and description of any and all current and prior engagements and agreements between Mount Sinai and the IRO, if different from what was submitted as part of the Implementation Report;

8. a certification from the IRO regarding its professional independence and/or objectivity with respect to Mount Sinai;

9. a summary of Reportable Events (as defined in Section III.H) identified during the Reporting Period and the status of any corrective and preventative action relating to all such Reportable Events;

10. a report of the aggregate Overpayments that have been returned to the Federal health care programs. Overpayment amounts shall be broken down into the following categories: inpatient Medicare, outpatient Medicare, Medicaid (report each applicable state separately, if applicable), and other Federal health care programs. Overpayment amounts that are routinely reconciled

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or adjusted pursuant to policies and procedures established by the payor do not need to be included in this aggregate Overpayment report;

11. a summary of the disclosures in the disclosure log required by Section III.E that: (a) relate to Federal health care programs; or (b) allege abuse or neglect of patients;

12. any changes to the process by which Mount Sinai fulfills the requirements of Section III.F regarding Ineligible Persons;

13. the name, title, and responsibilities of any person who is determined to be an Ineligible Person under Section III.F; the actions taken by Mount Sinai in response to the screening and removal obligations set forth in Section III.F; and the actions taken to identify, quantify, and repay any overpayments to Federal health care programs relating to items or services relating to items or services furnished, ordered or prescribed by an Ineligible Person;

14. a summary describing any ongoing investigation or legal proceeding required to have been reported pursuant to Section III.G. The summary shall include a description of the allegation, the identity of the investigating or prosecuting agency, and the status of such investigation or legal proceeding;

15. a description of all changes to the most recently provided list of Mount Sinai's locations (including addresses) as required by Section V.A.12; the corresponding name under which each location is doing business; the corresponding phone numbers and fax numbers; each location's Medicare Mount Sinai number(s), Mount Sinai identification number(s), and/or supplier number(s); and the name and address of each Medicare contractor to which Mount Sinai currently submits claims; and

16. the certifications required by Section V.C.

The first Annual Report shall be received by OIG no later than 90 days after the end of the first Reporting Period. Subsequent Annual Reports shall be received by OIG no later than the anniversary date of the due date of the first Annual Report.

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C. Certifications. The Implementation Report and Annual Reports shall include a certification by the Compliance Officer that:

(1) to the best of his or her knowledge, except as otherwise described in the applicable report, Mount Sinai is in compliance with all of the requirements of this CIA;

(2) he or she has reviewed the Report and has made reasonable inquiry regarding its content and believes that the information in the Report is accurate and truthful; and

(3) Mount Sinai has complied with its obligations under the Settlement Agreement: (a) not to resubmit to any Federal health care program payors any previously denied claims related to the Covered Conduct addressed in the Settlement Agreement, and not to appeal any such denials of claims; (b) not to charge to or otherwise seek payment from Federal or State payors for unallowable costs (as defined in the Settlement Agreement); and (c) to identify and adjust any past charges or claims for unallowable costs;

D. Designation of Information. Mount Sinai shall clearly identify any portions of its submissions that it believes are trade secrets, or information that is commercial or financial and privileged or confidential, and therefore potentially exempt from disclosure under the Freedom of Information Act (FOIA), 5 U.S.C. § 552. Mount Sinai shall refrain from identifying any information as exempt from disclosure if that information does not meet the criteria for exemption from disclosure under FOIA.

VI. NOTIFICATIONS AND SUBMISSION OF REPORTS

Unless otherwise stated in writing after the Effective Date, all notifications and reports required under this CIA shall be submitted to the following entities:

OIG:

Administrative and Civil
Remedies Branch
Office of Counsel to the Inspector General
Office of Inspector General
U.S. Department of Health and Human Services
Cohen Building, Room 5527
330 Independence Avenue, S.W.
Washington, DC 20201
Telephone: 202.619.2078
Facsimile: 202.205.0604

Mount Sinai:

Compliance Officer
Mount Sinai Medical Center of Florida, Inc.
4300 Alton Road
Miami Beach, Florida 33140
Telephone:
Facsimile:

Unless otherwise specified, all notifications and reports required by this CIA may be made by certified mail, overnight mail, hand delivery, or other means, provided that there is proof that such notification was received. For purposes of this requirement, internal facsimile confirmation sheets do not constitute proof of receipt.

VII. OIG INSPECTION, AUDIT, AND REVIEW RIGHTS

In addition to any other rights OIG may have by statute, regulation, or contract, OIG or its duly authorized representative(s) may examine or request copies of Mount Sinai's books, records, and other documents and supporting materials and/or conduct on-site reviews of any of Mount Sinai's locations for the purpose of verifying and evaluating: (a) Mount Sinai's compliance with the terms of this CIA; and (b) Mount Sinai's compliance with the requirements of the Federal health care programs in which it participates. The documentation described above shall be made available by Mount Sinai to OIG or its duly authorized representative(s) at all reasonable times for inspection, audit, or reproduction. Furthermore, for purposes of this provision, OIG or its duly authorized representative(s) may interview any of Mount Sinai's employees, contractors, or agents who consent to be interviewed at the individual's place of business during normal business hours or at

such other place and time as may be mutually agreed upon between the individual and OIG. Mount Sinai shall assist OIG or its duly authorized representative(s) in contacting and arranging interviews with such individuals upon OIG's request. Mount Sinai's employees may elect to be interviewed with or without a representative of Mount Sinai present.

VIII. DOCUMENT AND RECORD RETENTION

Mount Sinai shall maintain for inspection all documents and records relating to reimbursement from the Federal health care programs, or to compliance with this CIA, for 6 years (or longer if otherwise required by law).

IX. DISCLOSURES

Consistent with HHS's FOIA procedures, set forth in 45 C.F.R. Part 5, OIG shall make a reasonable effort to notify Mount Sinai prior to any release by OIG of information submitted by Mount Sinai pursuant to its obligations under this CIA and identified upon submission by Mount Sinai as trade secrets, or information that is commercial or financial and privileged or confidential, under the FOIA rules. With respect to such releases, Mount Sinai shall have the rights set forth at 45 C.F.R. § 5.65(d).

X. BREACH AND DEFAULT PROVISIONS

Mount Sinai is expected to fully and timely comply with all of its CIA obligations.

A. Stipulated Penalties for Failure to Comply with Certain Obligations. As a contractual remedy, Mount Sinai and OIG hereby agree that failure to comply with certain obligations as set forth in this CIA may lead to the imposition of the following monetary penalties (hereinafter referred to as "Stipulated Penalties") in accordance with the following provisions.

1. A Stipulated Penalty of \$2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day Mount Sinai fails to establish and implement any of the following obligations as described in Section III:

a. a Compliance Officer;

- b. a Compliance Committee;
- c. a written Code of Conduct;
- d. written Policies and Procedures;
- e. the training of Covered Persons;
- f. a Disclosure Program;
- g. Ineligible Persons screening and removal requirements; and
- h. Notification of Government investigations or legal proceedings.

2. A Stipulated Penalty of \$2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day Mount Sinai fails to engage an IRO, as required in Section III.D and Appendix A.

3. A Stipulated Penalty of \$2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day Mount Sinai fails to submit the Implementation Report or the Annual Reports to OIG in accordance with the requirements of Section V by the deadlines for submission.

4. A Stipulated Penalty of \$2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day Mount Sinai fails to submit the annual Claims Review Report in accordance with the requirements of Section III.D and Appendix B.

5. A Stipulated Penalty of \$1,500 for each day Mount Sinai fails to grant access to the information or documentation as required in Section VII. (This Stipulated Penalty shall begin to accrue on the date Mount Sinai fails to grant access.)

6. A Stipulated Penalty of \$5,000 for each false certification submitted by or on behalf of Mount Sinai as part of its Implementation Report, Annual Report, additional documentation to a report (as requested by the OIG), or otherwise required by this CIA.

7. A Stipulated Penalty of \$1,000 for each day Mount Sinai fails to comply fully and adequately with any obligation of this CIA. OIG shall provide notice to Mount Sinai, stating the specific grounds for its determination that Mount Sinai has failed to comply fully and adequately with the CIA obligation(s) at issue and steps Mount Sinai shall take to comply with the CIA. (This Stipulated Penalty shall begin to accrue 10 days after Mount Sinai receives this notice from OIG of the failure to comply.) A Stipulated Penalty as described in this Subsection shall not be demanded for any violation for which OIG has sought a Stipulated Penalty under Subsections 1-6 of this Section.

B. Timely Written Requests for Extensions. Mount Sinai may, in advance of the due date, submit a timely written request for an extension of time to perform any act or file any notification or report required by this CIA. Notwithstanding any other provision in this Section, if OIG grants the timely written request with respect to an act, notification, or report, Stipulated Penalties for failure to perform the act or file the notification or report shall not begin to accrue until one day after Mount Sinai fails to meet the revised deadline set by OIG. Notwithstanding any other provision in this Section, if OIG denies such a timely written request, Stipulated Penalties for failure to perform the act or file the notification or report shall not begin to accrue until three business days after Mount Sinai receives OIG's written denial of such request or the original due date, whichever is later. A "timely written request" is defined as a request in writing received by OIG at least five business days prior to the date by which any act is due to be performed or any notification or report is due to be filed.

C. Payment of Stipulated Penalties.

1. *Demand Letter.* Upon a finding that Mount Sinai has failed to comply with any of the obligations described in Section X.A and after determining that Stipulated Penalties are appropriate, OIG shall notify Mount Sinai of: (a) Mount Sinai's failure to comply; and (b) OIG's exercise of its contractual right to demand payment of the Stipulated Penalties (this notification is referred to as the "Demand Letter").

2. *Response to Demand Letter.* Within 10 days after the receipt of the Demand Letter, Mount Sinai shall either: (a) cure

the breach to OIG's satisfaction and pay the applicable Stipulated Penalties; or (b) request a hearing before an HHS administrative law judge (ALJ) to dispute OIG's determination of noncompliance, pursuant to the agreed upon provisions set forth below in Section X.E. In the event Mount Sinai elects to request an ALJ hearing, the Stipulated Penalties shall continue to accrue until Mount Sinai cures, to OIG's satisfaction, the alleged breach in dispute. Failure to respond to the Demand Letter in one of these two manners within the allowed time period shall be considered a material breach of this CIA and shall be grounds for exclusion under Section X.D.

3. *Form of Payment.* Payment of the Stipulated Penalties shall be made by certified or cashier's check, payable to: "Secretary of the Department of Health and Human Services," and submitted to OIG at the address set forth in Section VI.

4. *Independence from Material Breach Determination.* Except as set forth in Section X.D.1.c, these provisions for payment of Stipulated Penalties shall not affect or otherwise set a standard for OIG's decision that Mount Sinai has materially breached this CIA, which decision shall be made at OIG's discretion and shall be governed by the provisions in Section X.D, below.

D. Exclusion for Material Breach of this CIA.

1. *Definition of Material Breach.* A material breach of this CIA means:

- a. a failure by Mount Sinai to report a Reportable Event, take corrective action, and make the appropriate refunds, as required in Section III.H;
- b. a repeated or flagrant violation of the obligations under this CIA, including, but not limited to, the obligations addressed in Section X.A;
- c. a failure to respond to a Demand Letter concerning the payment of Stipulated Penalties in accordance with Section X.C; or

d. a failure to engage and use an IRO in accordance with Section III.D.

2. *Notice of Material Breach and Intent to Exclude.* The parties agree that a material breach of this CIA by Mount Sinai constitutes an independent basis for Mount Sinai's exclusion from participation in the Federal health care programs. Upon a determination by OIG that Mount Sinai has materially breached this CIA and that exclusion is the appropriate remedy, OIG shall notify Mount Sinai of: (a) Mount Sinai's material breach; and (b) OIG's intent to exercise its contractual right to impose exclusion (this notification is hereinafter referred to as the "Notice of Material Breach and Intent to Exclude").

3. *Opportunity to Cure.* Mount Sinai shall have 30 days from the date of receipt of the Notice of Material Breach and Intent to Exclude to demonstrate to OIG's satisfaction that:

- a. Mount Sinai is in compliance with the obligations of the CIA cited by OIG as being the basis for the material breach;
- b. the alleged material breach has been cured; or
- c. the alleged material breach cannot be cured within the 30-day period, but that: (i) Mount Sinai has begun to take action to cure the material breach; (ii) Mount Sinai is pursuing such action with due diligence; and (iii) Mount Sinai has provided to OIG a reasonable timetable for curing the material breach.

4. *Exclusion Letter.* If, at the conclusion of the 30-day period, Mount Sinai fails to satisfy the requirements of Section X.D.3, OIG may exclude Mount Sinai from participation in the Federal health care programs. OIG shall notify Mount Sinai in writing of its determination to exclude Mount Sinai (this letter shall be referred to hereinafter as the "Exclusion Letter"). Subject to the Dispute Resolution provisions in Section X.E, below, the exclusion shall go into effect 30 days after the date of Mount Sinai's receipt of the Exclusion Letter. The exclusion shall have national effect and shall also apply to all other Federal procurement and nonprocurement programs. Reinstatement to program participation is not automatic.

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After the end of the period of exclusion, Mount Sinai may apply for reinstatement by submitting a written request for reinstatement in accordance with the provisions at 42 C.F.R. §§ 1001.3001-.3004.

E. Dispute Resolution

1. *Review Rights.* Upon OIG's delivery to Mount Sinai of its Demand Letter or of its Exclusion Letter, and as an agreed-upon contractual remedy for the resolution of disputes arising under this CIA, Mount Sinai shall be afforded certain review rights comparable to the ones that are provided in 42 U.S.C. § 1320a-7(f) and 42 C.F.R. Part 1005 as if they applied to the Stipulated Penalties or exclusion sought pursuant to this CIA. Specifically, OIG's determination to demand payment of Stipulated Penalties or to seek exclusion shall be subject to review by an HHS ALJ and, in the event of an appeal, the HHS Departmental Appeals Board (DAB), in a manner consistent with the provisions in 42 C.F.R. §§ 1005.2-1005.21. Notwithstanding the language in 42 C.F.R. § 1005.2(c), the request for a hearing involving Stipulated Penalties shall be made within 10 days after receipt of the Demand Letter and the request for a hearing involving exclusion shall be made within 25 days after receipt of the Exclusion Letter.

2. *Stipulated Penalties Review.* Notwithstanding any provision of Title 42 of the United States Code or Title 42 of the Code of Federal Regulations, the only issues in a proceeding for Stipulated Penalties under this CIA shall be: (a) whether Mount Sinai was in full and timely compliance with the obligations of this CIA for which OIG demands payment; and (b) the period of noncompliance. Mount Sinai shall have the burden of proving its full and timely compliance and the steps taken to cure the noncompliance, if any. OIG shall not have the right to appeal to the DAB an adverse ALJ decision related to Stipulated Penalties. If the ALJ agrees with OIG with regard to a finding of a breach of this CIA and orders Mount Sinai to pay Stipulated Penalties, such Stipulated Penalties shall become due and payable 20 days after the ALJ issues such a decision unless Mount Sinai requests review of the ALJ decision by the DAB. If the ALJ decision is properly appealed to the DAB and the DAB upholds the determination of OIG, the Stipulated Penalties shall become due and payable 20 days after the DAB issues its decision.

3. *Exclusion Review.* Notwithstanding any provision of Title 42 of the United States Code or Title 42 of the Code of Federal

Regulations, the only issues in a proceeding for exclusion based on a material breach of this CIA shall be:

- a. whether Mount Sinai was in material breach of this CIA;
- b. whether such breach was continuing on the date of the Exclusion Letter; and
- c. whether the alleged material breach could not have been cured within the 30-day period, but that: (i) Mount Sinai had begun to take action to cure the material breach within that period; (ii) Mount Sinai has pursued and is pursuing such action with due diligence; and (iii) Mount Sinai provided to OIG within that period a reasonable timetable for curing the material breach and Mount Sinai has followed the timetable.

For purposes of the exclusion herein, exclusion shall take effect only after an ALJ decision favorable to OIG, or, if the ALJ rules for Mount Sinai, only after a DAB decision in favor of OIG. Mount Sinai's election of its contractual right to appeal to the DAB shall not abrogate OIG's authority to exclude Mount Sinai upon the issuance of an ALJ's decision in favor of OIG. If the ALJ sustains the determination of OIG and determines that exclusion is authorized, such exclusion shall take effect 20 days after the ALJ issues such a decision, notwithstanding that Mount Sinai may request review of the ALJ decision by the DAB. If the DAB finds in favor of OIG after an ALJ decision adverse to OIG, the exclusion shall take effect 20 days after the DAB decision. Mount Sinai shall waive its right to any notice of such an exclusion if a decision upholding the exclusion is rendered by the ALJ or DAB. If the DAB finds in favor of Mount Sinai, Mount Sinai shall be reinstated effective on the date of the original exclusion.

4. *Finality of Decision.* The review by an ALJ or DAB provided for above shall not be considered to be an appeal right arising under any statutes or regulations. Consequently, the parties to this CIA agree that the DAB's decision (or the ALJ's decision if not appealed) shall be considered final for all purposes under this CIA.

XI. EFFECTIVE AND BINDING AGREEMENT

Consistent with the provisions in the Settlement Agreement pursuant to which this CIA is entered, and into which this CIA is incorporated, Mount Sinai and OIG agree as follows:

A. This CIA shall be binding on the successors, assigns, and transferees of Mount Sinai;


B. This CIA shall become final and binding on the date the final signature is obtained on the CIA;

C. Any modifications to this CIA shall be made with the prior written consent of the parties to this CIA;

D. OIG may agree to a suspension of Mount Sinai's obligations under the CIA in the event of Mount Sinai's cessation of participation in Federal health care programs. If Mount Sinai withdraws from participation in Federal health care programs and is relieved of its CIA obligations by OIG, Mount Sinai shall notify OIG at least 30 days in advance of Mount Sinai's intent to reapply as a participating Mount Sinai or supplier with any Federal health care program. Upon receipt of such notification, OIG shall evaluate whether the CIA should be reactivated or modified.

E. The undersigned Mount Sinai signator represents and warrants that he is authorized to execute this CIA. The undersigned OIG signatory represents that he is signing this CIA in his official capacity and that he is authorized to execute this CIA.

ON BEHALF OF MOUNT SINAI



STEVEN D. SONENREICH
Mount Sinai Medical Center of Florida, Inc.
4300 Alton Road
Miami Beach, Florida 33140

DATE 7/26/06



CARRIE VALIANT

DATE

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Counsel to Mount Sinai Medical Center of Florida, Inc.

ON BEHALF OF THE OFFICE OF INSPECTOR GENERAL
OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES



GREGORY E. DEMSKE
Assistant Inspector General for Legal Affairs
Office of Inspector General
U. S. Department of Health and Human Services

8/2/06
DATE

Appendix A

Independent Review Organization

This Appendix contains the requirements relating to the Independent Review Organization (IRO) required by Section III.D of the CIA.

A. IRO Engagement.

Mount Sinai shall engage an IRO that possesses the qualifications set forth in Paragraph B, below, to perform the responsibilities in Paragraph C, below. The IRO shall conduct the review in a professionally independent and/or objective fashion, as set forth in Paragraph D. Within 30 days after OIG receives written notice of the identity of the selected IRO, OIG will notify Mount Sinai if the IRO is unacceptable. Absent notification from OIG that the IRO is unacceptable, Mount Sinai may continue to engage the IRO.

If Mount Sinai engages a new IRO during the term of the CIA, this IRO shall also meet the requirements of this Appendix. If a new IRO is engaged, Mount Sinai shall submit the information identified in Section V.A.8 to OIG within 30 days of engagement of the IRO. Within 30 days after OIG receives written notice of the identity of the selected IRO, OIG will notify Mount Sinai if the IRO is unacceptable. Absent notification from OIG that the IRO is unacceptable, Mount Sinai may continue to engage the IRO.

B. IRO Qualifications.

The IRO shall:

1. assign individuals to conduct the Claims Review and Unallowable Cost Review engagement who have expertise in the billing, coding, reporting, and other requirements of hospital operations and in the general requirements of the Federal health care program(s) from which Mount Sinai seeks reimbursement;
2. assign individuals to design and select the Claims Review sample who are knowledgeable about the appropriate statistical sampling techniques;
3. assign individuals to conduct the coding review portions of the Claims Review who have a nationally recognized coding certification (e.g., CCA, CCS, CCS-P, CPC, RRA, etc.) And who have maintained this certification (e.g., completed applicable continuing education requirements); and

4. have sufficient staff and resources to conduct the reviews requirement by the CIA on a timely basis.

C. IRO Responsibilities.

The IRO shall:

1. perform each Claims Review and Unallowable Cost Review in accordance with the specific requirements of the CIA;
2. follow all applicable Medicare and Medicaid rules and reimbursement guidelines in making assessments in the Claims Review;
3. if in doubt of the application of a particular Medicare or Medicaid policy or regulation, request clarification from the appropriate authority (e.g. fiscal intermediary or carrier);
4. respond to all OIG inquiries in a prompt, objective, and factual manner; and
5. prepare timely, clear, well-written reports that include all the information required by Appendix B.

D. IRO Independence/Objectivity.

The IRO must perform the Claims Review in a professionally independent and/or objective fashion, as appropriate to the nature of the engagement, taking into account any other business relationship or engagements that may exist between the IRO and Mount Sinai.

E. IRO Removal/Termination.

1. *Provider.* If Mount Sinai terminates its IRO during the course of the engagement, Mount Sinai must submit a notice explaining its reasons to OIG no later than 30 days after termination. Mount Sinai must engage a new IRO in accordance with Paragraph A of this Appendix.
2. *OIG Removal of IRO.* In the event OIG has reason to believe that the IRO does not possess the qualifications described in Paragraph B, is not independent and/or objective as set forth in Paragraph D, or has failed to carry out its responsibilities as described in Paragraph C, OIG may, as its sole discretion, require Mount Sinai to engage a new IRO in accordance with Paragraph A of this Appendix.

Prior to requiring Mount Sinai to engage a new IRO, OIG shall notify Mount Sinai of its intent to do so and provide a written explanation of why OIG believes such a step is necessary. To resolve any concerns raised by OIG, Mount Sinai may request a meeting with OIG to discuss any aspect of the IRO's qualifications, independence or performance of its responsibilities and to present additional information regarding these matters. Mount Sinai shall provide any additional information as may be requested by OIG under this Paragraph in an expedited manner. OIG will attempt in good faith to resolve any differences regarding the IRO with Mount Sinai prior to requiring Mount Sinai to terminate the IRO. However, the final determination as to whether or not to require Mount Sinai to engage a new IRO shall be made at the sole discretion of OIG.

APPENDIX B CLAIMS REVIEW

A. Claims Review.

1. *Definitions.* For the purposes of the Claims Review, the following definitions shall be used:

- a. Overpayment: The amount of money Mount Sinai has received in excess of the amount due and payable under any Federal health care program requirements.
- b. Item: Any discrete unit that can be sampled (e.g., code, line item, beneficiary, patient encounter, etc.).
- c. Paid Claim: A code or line item submitted by Mount Sinai and for which Mount Sinai has received reimbursement from the Medicare program.
- d. Population: For the first Reporting Period, the Population shall be defined as all Items for which a code or line item has been submitted by or on behalf of Mount Sinai and for which Mount Sinai has received reimbursement from Medicare (i.e., Paid Claim) during the 12-month period covered by the first Claims Review.

For the remaining Reporting Periods, the Population shall be defined as all Items for which Mount Sinai has received reimbursement from Medicare (i.e., Paid Claim) during the 12-month period covered by the Claim Review.

To be included in the Population, an Item must have resulted in at least one Paid Claim.

- e. Error Rate: The Error Rate shall be the percentage of net Overpayments identified in the sample. The net Overpayments shall be calculated by subtracting all underpayments identified in the sample from all gross Overpayments identified in the sample. (Note: Any potential cost settlements or other supplemental payments should not be included in the net Overpayment calculation. Rather, only underpayments identified as part of the Discovery Sample shall be included as part of the net Overpayment calculation.)

The Error Rate is calculated by dividing the net Overpayment identified in the sample by the total dollar amount associated with the Items in the sample.

2. *Other Requirement.*

a. Paid Claims without Supporting Documentation. For the purpose of appraising Items included in the Claims Review, any Paid Claim for which Mount Sinai cannot produce documentation sufficient to support the Paid Claim shall be considered an error and the total reimbursement received by Mount Sinai for such Paid Claim shall be deemed an Overpayment. Replacement sampling for Paid Claims with missing documentation is not permitted.

b. Replacement Sampling. Considering the Population shall consist only of Paid Claims and that Items with missing documentation cannot be replaced, there is no need to utilize alternate or replacement sampling units.

c. Use of First Samples Drawn. For the purposes of all samples (Discovery Sample(s) and Full Sample(s)) discussed in this Appendix, the Paid Claims associated with the Items selected in each first sample (or first sample for each strata, if applicable) shall be used (i.e., it is not permissible to generate more than one list of random samples and then select one for use with the Discovery Sample or Full Sample).

B. Claims Review Report. The following information shall be included in the Claim Review Report for each Discover Sample and Full Sample (if applicable).

1. *Claims Review Methodology*.

a. Sampling Unit. A description of the Item as that term is utilized for the Claims Review.

b. Claims Review Population. A description of the Population subject to the Claims Review.

c. Claims Review Objective. A clear statement of the objective intended to be achieved by the Claims Review.

d. Sampling Frame. A description of the sampling frame, which is the totality of Items from which the Discovery Sample and, if any, Full Sample has been selected and an explanation of the methodology used to identify the sampling frame. In most circumstances, the sampling frame will be identical to the Population.

e. Source of Data. A description of the specific documentation relied upon by the IRO when performing the Claims Review (e.g., medical records, physician orders, certificates of medical necessity, requisition forms, local medical review policies (including title and policy number), CMS program memoranda (including title and issuance number), Medicare carrier or intermediary manual or bulletins (including issue and date), and other policies, regulations, or directives).

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f. Review Protocol. A narrative description of how the Claims Review was conducted and what was evaluated.

2. *Statistical Sampling Documentation.*

a. The number of Items appraised in the Discovery Sample and, if applicable, in the Full Sample.

b. A copy of the printout of the random numbers generated by the “Random Numbers” function of the statistical sampling software used by the IRO.

c. A copy of the statistical software printout(s) estimated how many Items are included in the Full Sample, if applicable.

d. A description or identification of the statistical sampling software package used to select the sample and determine the Full Sample size, if applicable.

3. *Claims Review Findings.*

a. Narrative Results.

i. A description of Mount Sinai’s billing and coding system(s), including the identification, by position description, of the personnel involved in coding and billing.

ii. A narrative explanation of the IRO’s findings and supporting rationale (including reasons for errors, patterns noted, etc.) regarding the Claims Review, including the results of the Discovery Sample, and the results of the Full Sample (if any).

b. Quantitative Results.

i. Total number and percentage of instances in which the IRO determined that the Paid Claims submitted by Mount Sinai (Claim Submitted) differed from what should have been the correct claim (Correct Claim), regardless of the effect on the payment.

ii. Total number and percentage of instances in which the Claim Submitted differed from the Correct Claim and in which such difference resulted in an Overpayment to Mount Sinai.

- iii. Total dollar amount of all Overpayments in the sample.
 - iv. Total dollar amount of paid Items included in the sample and the net Overpayment associated with the sample.
 - v. Error Rate in the sample.
 - vi. A spreadsheet of the Claims Review results that includes the following information for each Paid Claim appraised: Federal health care program billed, beneficiary health insurance claim number, date of service, procedure code submitted, procedure code reimbursed, allowed amount reimbursed by payor, correct procedure code (as determined by the IRO), correct allowed amount (as determined by the IRO), dollar difference between allowed amount reimbursed by payor and the correct allowed amount. (See Attachment 1 to this Appendix.)
4. *System Review.* Observations, findings, and recommendations on possible improvements to the system(s) and process(es) that generated the Overpayment(s).
5. *Credentials.* The names and credentials of the individuals who: (1) designed the statistical sampling procedures and the review methodology utilized for the Claims Review; and (2) performed the Claims Review.

Claim Review Results

Federal Health Care Program Billed	Bene HIC #	Date of Service	Procedure Code Submitted	Procedure Code Reimbursed	Allowed Amount Reimbursed	Correct Procedure Code (IRO determined)	Correct Allowed Amt Reimbursed (IRO determined)	Dollar Difference between Amt Reimbursed and Correct Allowed Amt

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OVERPAYMENT REFUND

TO BE COMPLETED BY MEDICARE CONTRACTOR

Date: _____
Contractor Deposit Control # _____ Date of Deposit: _____
Contractor Contact Name: _____ Phone # _____
Contractor Address: _____
Contractor Fax: _____

TO BE COMPLETED BY PROVIDER/PHYSICIAN/SUPPLIER

Please complete and forward to Medicare Contractor. This form, or a similar document containing the following information, should accompany every voluntary refund so that receipt of check is properly recorded and applied.

PROVIDER/PHYSICIAN/SUPPLIER NAME _____
ADDRESS _____
PROVIDER/PHYSICIAN/SUPPLIER # _____ CHECK NUMBER# _____
CONTACT PERSON: _____ PHONE # _____ AMOUNT OF CHECK
\$ _____ CHECK DATE _____

REFUND INFORMATION

For each Claim, provide the following:

Patient Name _____ HIC # _____
Medicare Claim Number _____ Claim Amount Refunded \$ _____
Reason Code for Claim Adjustment: _____ (Select reason code from list below. Use one reason per claim)

(Please list all claim numbers involved. Attach separate sheet, if necessary)

Note: If Specific Patient/HIC/Claim #/Claim Amount data not available for all claims due to Statistical Sampling, please indicate methodology and formula used to determine amount and reason for overpayment: _____

For Institutional Facilities Only:

Cost Report Year(s) _____
(If multiple cost report years are involved, provide a breakdown by amount and corresponding cost report year.)

For OIG Reporting Requirements:

Do you have a Corporate Integrity Agreement with OIG? Yes No

Reason Codes:

- | | | |
|--------------------------------|--------------------------------------|---------------------------------|
| Billing/Clerical Error | MSP/Other Payer Involvement | Miscellaneous |
| 01 - Corrected Date of Service | 08 - MSP Group Health Plan Insurance | 13 - Insufficient Documentation |
| 02 - Duplicate | 09 - MSP No Fault Insurance | 14 - Patient Enrolled in an HMO |
| 03 - Corrected CPT Code | 10 - MSP Liability Insurance | 15 - Services Not Rendered |
| 04 - Not Our Patient(s) | 11 - MSP, Workers Comp.(Including | 16 - Medical Necessity |
| 05 - Modifier Added/Removed | Black Lung | 17 - Other (Please Specify) |
| 06 - Billed in Error | 12 - Veterans Administration | |
| 07 - Corrected CPT Code | | |

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